LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Clarion Hotel Shreveport, Broadmoor Room, 1419 East 70th Street, Shreveport, Louisiana, at 9:00 a.m. on **THURSDAY**, **OCTOBER 28**, **2004**, upon the application of **KCS RESOURCES**, **INC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Hosston Zone**, **Reservoir A**; **the Cotton Valley Formation**, **Reservoir A**; **and the Lower Cotton Valley Zone**, **Reservoir A**, in the Elm Grove Field, Bossier Parish, Louisiana.

- 1. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well on HOSS RA SU14, CV RA SU14 and LCV RA SUK at the location shown on the plats submitted with the application.
- To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well on HOSS RA SU15, CV RA SU15 and LCV RA SUJ at the location shown on the plats submitted with the application.
- 3. To approve exceptions to the well location provisions of applicable Office of Conservation Orders as to the Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Lower Cotton Valley Zone, Reservoir A, for any of the proposed alternate unit wells, the locations of which do not comply with the well location provisions of such orders.
- 4. To establish that the proposed alternate unit wells are necessary to recover hydrocarbons from each of the units on which they are to be drilled that cannot be produced effectively and efficiently from any other well located on these units.
- 5. To authorize the unit allowable for these Hosston Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A, units to be recovered from any of the wells located on the units, at the discretion of the operator.
- 6. To consider such other matters as may be pertinent.

The Hosston Zone, Reservoir A, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series of Orders.

The Cotton Valley Formation, Reservoir A, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series of Orders.

The Lower Cotton Valley Zone, Reservoir A, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION - 6 - Page -2-

ELM GROVE FIELD 04-1015 thru 04-1020

Baton Rouge, La 10/7/04;10/12/04 S dnp

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN FIVE (5) WORKING DAYS OF THE HEARING DATE.